

Mailing Address: P.O. Box 190 Aurora, IL 60507-0190 Phone 630 983-8676 Internet www.nicor.com

December 10, 2009

Ms. Elizabeth A. Rolando Chief Clerk Illinois Commerce Commission 527 East Capitol Avenue Springfield, Illinois 62701

Dear Ms. Rolando:

Enclosed for filing, on behalf of Northern Illinois Gas Company d/b/a Nicor Gas Company, are calculations under its Rider 12, Environmental Cost Recovery, as required for January 2010. The Environmental Cost Recovery Charge will be added to the Annual Reconciliation Charge as filed beginning April 2009, and an information sheet reflecting this change is included.

Pursuant to the provisions of Rider 12, the attached statement of details and data in explanation is transmitted herewith and is hereby filed with the Commission.

Ill.C.C. No. 16 Schedule G

38th Information Sheet Supplemental to Sheet Nos. 68, 69 and 70

Two copies of this filing are enclosed for submission to the Chief Clerk. An additional copy is enclosed for your convenience in acknowledging receipt thereof.

Sincerely,

Bob O. Buckles

Manager Rate Research and Administration

Enclosures

cc: Mary Selvaggio John Hendrickson

38TH INFORMATION SHEET SUPPLEMENTAL TO SHEET NOS. 68, 69 AND 70 OF ILL.C.C. NO. 16, SCHEDULE G

Rider 12. Environmental Cost Recovery

Applicable to All Rates (Except Rate 21 and other Negotiated Contracts)

Environmental Cost Recovery Effective with Service Rendered on or after January 1, 2010

NO.	3	Residential (1)	Small Non- Residential (2)	Large Non- Residential (3)
1	Basic Charge per Therm	0.52 ¢	0.37 ¢	0.08 ¢
2	Annual Reconciliation Charge Total Charge	(0.06) ¢ 0.46 ¢	(<u>0.04)</u> ¢ 0.33 ¢	(0.01) ¢ 0.07 ¢

- (1) RESIDENTIAL CUSTOMER (RATE 1)
- (2) SMALL NON-RESIDENTIAL CUSTOMERS (RATES 4, 5, 74, AND 75)
- (3) LARGE NON-RESIDENTIAL CUSTOMERS (RATES 6, 7, 76 AND 77)

NORTHERN ILLINOIS GAS COMPANY d/b/a NICOR GAS COMPANY CALCULATION OF ENVIRONMENTAL COST RECOVERY CHARGE EFFECTIVE JANUARY 1, 2010

DESCRIPTION	RESIDENTIAL		SMALL NON- RESIDENTIAL		LARGE NON- RESIDENTIAL		TOTAL
(A)							
2010 ESTIMATED ENVIRONMENTAL CHARGES							\$ 16,825,000
2010 ESTIMATED BASE REVENUE BY CLASS	\$ 355,238,000		\$ 164,297,000		\$ 17,369,000		\$ 536,904,000
PERCENT OF BASE REVENUE BY CLASS (P)	66.16%		30.60%		3.24%		100.00%
ALLOCATION OF AMOUNT TO BE COLLECTED:							
LINE 1 TOTAL MULTIPLIED BY LINE 3	\$ 11,131,420		\$ 5,148,450		\$ 545,130		\$ 16,825,000
2010 ESTIMATED THROUGHPUT (CT)	2,146,210,000		1,391,581,000		653,822,000		4,191,613,000
2010 ENVIRONMENTAL COST RECOVERY ADJUSTMENT: LINE 4 DIVIDED BY LINE 5, AND MULTIPLIED BY 100	0.5187	¢	0.3700	¢	0.0834	¢	
FILED ECR CHARGE	0.52	¢	0.37	¢	0.08	¢	





Mailing Address: P.O. Box 190 Aurora, IL 60507-0190 Phone 630 983-8676 Internet www.nicor.com

March 19, 2010

Ms. Elizabeth A. Rolando Chief Clerk Illinois Commerce Commission 527 East Capitol Avenue Springfield, Illinois 62701

Dear Ms. Rolando:

Enclosed for filing, on behalf of Northern Illinois Gas Company d/b/a Nicor Gas Company, are calculations under its Rider 12, Environmental Cost Recovery, as required for April 2010. The Annual Reconciliation Charge will be added to the Environmental Cost Recovery Charge as filed beginning January 2010, and an information sheet reflecting this change is included.

Pursuant to the provisions of Rider 12, the attached statement of details and data in explanation is transmitted herewith and is hereby filed with the Commission.

Ill.C.C. No. 16 Schedule G

39th Information Sheet Supplemental to Sheet Nos. 68, 69 and 70

Two copies of this filing are enclosed for submission to the Chief Clerk. An additional copy is enclosed for your convenience in acknowledging receipt thereof. A copy of this filing is also being sent to Mr. John Hendrickson, Manager of Rates and Ms. Mary Selvaggio, Manager of Accounting.

Sincerely,

Bob O. Buckles

Manager Rate Research and Administration

Enclosures

cc: Ms. Mary Selvaggio

Mr. John Hendrickson

39TH INFORMATION SHEET SUPPLEMENTAL TO SHEET NOS. 68, 69 AND 70 OF ILL.C.C. NO. 16, SCHEDULE G

Rider 12. Environmental Cost Recovery

Applicable to All Rates (Except Rate 21 and other Negotiated Contracts)

Environmental Cost Recovery Effective with Service Rendered on or after April 1, 2010

LINI NO.		Residential (1)	Small Non- Residential (2)	Large Non- Residential (3)
1	Basic Charge per Therm	0.52 ¢	0.37 ¢	0.08 ¢
2	Annual Reconciliation Charge	(0.18)¢	(0.11)¢	(0.03)¢
3	Total Charge	0.34 ¢	0.26 ¢	0.05 ¢

- (1) RESIDENTIAL CUSTOMER (RATE 1)
- (2) SMALL NON-RESIDENTIAL CUSTOMERS (RATES 4, 5, 74, AND 75)
- (3) LARGE NON-RESIDENTIAL CUSTOMERS (RATES 6, 7, 76 AND 77)

NORTHERN ILLINOIS GAS COMPANY d/b/a NICOR GAS COMPANY CALCULATION OF ANNUAL RECONCILIATION CHARGE EFFECTIVE APRIL 1, 2010

DESCRIPTION	RESIDENTIAL	SMALL NON- RESIDENTIAL	RESIDENTIAL	TOTAL
2009 ACTUAL ENVIRONMENTAL CHARGES				\$ 8,771,755
2009 ENVIRONMENTAL CHARGES RECOVERED THROUGH RATE	S			12,529,706
2009 INTEREST CHARGES				(17,023)
(OVER) UNDER COLLECTION BALANCE FORWARD:				
ARC FILED MARCH 20, 2009, PAGE 1, LINE 5				(1,905,799)
AMOUNT TO BE REFUNDED (ARB):				
LINE 1 - LINE 2 + LINE 3 + LINE 4				\$ (5,680,773)
APR '10 - MAR '11 ESTIMATED BASE REVENUE	\$ 418,799,000	\$ 173,497,000	\$ 22,879,000	\$ 615,175,000
PERCENT OF BASE REVENUE BY CLASS (P)	68.08%	28.20%	3.72%	100.00%
ALLOCATION OF AMOUNT TO BE REFUNDED:				
LINE 5 MULTIPLIED BY LINE 7	\$ (3,867,470)	\$ (1,601,978)	\$ (211,325)	\$ (5,680,773)
APR '10 - MAR '11 ESTIMATED THROUGHPUT (CT)	2,102,029,000	1,416,081,000	673,697,000	4,191,807,000
APR '10 - MAR '11 ANNUAL RECONCILIATION CHARGE (ARC):				
LINE 8 DIVIDED BY LINE 9, AND MULTIPLIED BY 100	(0.1840) ¢	(0.1131) ¢	(0.0314) ¢	
FILED ARC CHARGE	(0.18) ¢	(0.11) ¢	(0.03) ¢	





Mailing Address: P.O. Box 190 Aurora, IL 60507-0190 Phone 630 983-8676 Internet www.nicor.com

September 22, 2010

Ms. Elizabeth A. Rolando Chief Clerk Illinois Commerce Commission 527 East Capitol Avenue Springfield, Illinois 62701

Dear Ms. Rolando:

A revised calculation of charges, on behalf on Northern Illinois Gas Company d/b/a Nicor Gas Company, under Rider 12, Environmental Cost Recovery, is required for October 2010.

Pursuant to the provisions of Rider 12, the attached statement of details and data in explanation is transmitted herewith and is hereby filed with the Commission.

Ill.C.C. No. 16 Schedule G

40th Information Sheet Supplemental to Sheet Nos. 68, 69 and 70

Two copies of this filing are enclosed for submission to the Chief Clerk. An additional copy is enclosed for your convenience in acknowledging receipt thereof. A copy is also enclosed for Mr. John Hendrickson, Manager of Rates and Ms. Mary Selvaggio, Manager of Accounting.

Sincerely,

Bob O. Buckles

Manager Rate Research and Administration

Enclosures

cc:

Ms. Mary Selvaggio Mr. John Hendrickson

40TH INFORMATION SHEET SUPPLEMENTAL TO SHEET NOS. 68, 69 AND 70 OF ILL.C.C. NO. 16, SCHEDULE G

Rider 12. Environmental Cost Recovery

Applicable to All Rates (Except Rate 21 and other Negotiated Contracts)

Environmental Cost Recovery Effective with Service Rendered on or after October 1, 2010

NO.		Residential (1)	Small Non- Residential (2)	Large Non- Residential (3)
1	Basic Charge per Therm	0.34 ¢	0.22 ¢	0.07 ¢
2	Annual Reconciliation Charge	(0.18)¢	(0.11)¢	(0.03) ¢
3	Total Charge	0.16 ¢	0.11 ¢	0.04 ¢

- (1) RESIDENTIAL CUSTOMER (RATE 1)
- (2) SMALL NON-RESIDENTIAL CUSTOMERS (RATES 4, 5, 74, AND 75)
- (3) LARGE NON-RESIDENTIAL CUSTOMERS (RATES 6, 7, 76 AND 77)

NORTHERN ILLINOIS GAS COMPANY d/b/a NICOR GAS CALCULATION OF ENVIRONMENTAL COST RECOVERY CHARGE EFFECTIVE OCTOBER 1, 2010

DESCRIPTION	RESIDENTIAL	SMALL NON- RESIDENTIAL	LARGE NON- RESIDENTIAL		TOTAL
(A)		-			
2010 ESTIMATED ENVIRONMENTAL CHARGES				5	14,400,000
LESS 2010 COLLECTIONS THROUGH AUGUST 2010				_	8,652,216
AMOUNT TO BE COLLECTED SEPTEMBER - DECEMBER 2010 (LINE 1 - LIN	JE 2)			\$	5.747,784
LESS ESTIMATED SEPTEMBER 2010 ECR COLLECTIONS					322,013
ESTIMATED PRIOR YEARS' RECONCILIATION CHARGE				_	(1,945,104)
AMOUNT TO BE COLLECTED OCTOBER - DECEMBER 2010 (LINE 3 - LINE 4 + LINE 5)				\$	3,480,667
2010 ESTIMATED BASE REVENUE BY CLASS (OCTOBER - DECEMBER)	\$121,305,000	\$49,099,000	\$5,814,000		\$176,218,000
PERCENT OF BASE REVENUE BY CLASS (P)	68.84%	27.86%	3.30%		100.00%
ALLOCATION OF AMOUNT TO BE COLLECTED:					
LINE 6 TOTAL MULTIPLIED BY LINE 8	\$2,396,023	\$969,806	\$114,838		\$3,480,667
2010 ESTIMATED THROUGHPUT (OCTOBER - DECEMBER)	699,401,000	447,771,000	173,474,000	1	1,320,646,000
2010 ENVIRONMENTAL COST RECOVERY ADJUSTMENT:					
LINE 9 DIVIDED BY LINE 10, AND MULTIPLIED BY 100	0.3426 ¢	0.2166 ¢	0.0662 ¢		
FILED ECR CHARGE	0.34 ¢	0.22 ¢	0.07 ¢		



Mailing Address: P.O. Box 190 Aurora, IL 60507-0190 Phone 630 983-8676 Internet www.nicor.com

February 25, 2011

Ms. Elizabeth A. Rolando Chief Clerk Illinois Commerce Commission 527 East Capitol Avenue Springfield, Illinois 62701

Dear Ms. Rolando:

Enclosed for filing, on behalf of Northern Illinois Gas Company d/b/a Nicor Gas Company, is the annual statement summarizing all expenses incurred and applied through the Environmental Cost Recovery Rider for the 12-month period ended December 31, 2010. This statement has been prepared in accordance with Rider 12, Environmental Cost Recovery. Also included are the report of Deloitte & Touche LLP, independent public accountants, and an affidavit of an officer of the Company.

Two copies of this filing are enclosed for submission to the Chief Clerk. An additional copy is enclosed for your convenience in acknowledging receipt thereof. A copy of this filing is also being sent to Mr. John Hendrickson, Manager of Rates and Ms. Mary Selvaggio, Manager of Accounting.

Sincerely,

Bob O. Buckles

Manager Rate Research and Administration

Enclosures

cc: Ms. Mary Selvaggio

Mr. John Hendrickson

Nicor Gas Company

Report to the Illinois Commerce Commission Statement of Expenses Incurred and Recovered through Rider 12, Environmental Cost Recovery for the Year Ended December 31, 2010 (a)

	rie	2010
Over Recovered Costs - Beginning of Year	\$	(5,081,633)
Plus Costs Incurred During the Year (b)	_	12,629,192
Sub-Total	\$	7,547,559
Less Costs Recovered Through Rates (c)	<u>_</u>	10,715,634
Over Recovered Costs - End of Year	\$_	(3,168,075)

NOTES

- (a) This statement has been prepared from the books and records of the Company in accordance with the reports provision of Section C of Rider 12 of the Company's rate schedule in effect and on file with the Illinois Commerce Commission.
- (b) Costs incurred and recoverable through the Environmental Cost Recovery Rider.
- (c) Revenue arising through application of the Environmental Cost Recovery Rider.

Nicor Gas Exhibit 1.4 Page 3 of 4

Deloitte.

Deloitte & Touche LLP 111 South Wacker Drive Chicago, IL 60606 USA

Tel: 1 312 486 1000 Fax: 1 312 247 1000 www.deloitte.com

INDEPENDENT AUDITORS' REPORT

Northern Illinois Gas Company Naperville, Illinois

We have audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), the financial statements of Northern Illinois Gas Company ("the Company") for the year ended December 31, 2010, and have issued our report thereon dated February 24, 2011. We have also audited the accompanying Report to the Illinois Commerce Commission of the Company's Statement of Expenses Incurred and Recovered through Rider 12, Environmental Cost Recovery for the year ended December 31, 2010 (the "Statement"). The Statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as it relates to the Statement as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of a company's internal control over financial reporting as it relates to the Statement. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with Section C of Rider 12 of the Company's rate schedule in effect and on file with the Illinois Commerce Commission, and is not intended to be a complete presentation of financial statements in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Statement presents fairly, in all material respects, the information set forth therein of Northern Illinois Gas Company for the year ended December 31, 2010, in accordance with Section C of Rider 12 of the Company's rate schedule as filed with the Illinois Commerce Commission.

This report is intended solely for the information and use of Northern Illinois Gas Company and the Illinois Commerce Commission and is not intended to be and should not be used by anyone other than these specified parties.

February 24, 2011

Beloite + Touche LLP

STATE OF ILLINOIS) COUNTY OF DUPAGE)

Gerald P. O'Connor, being first duly sworn upon oath, states that he is a Senior Vice President of Northern Illinois Gas Company d/b/a Nicor Gas; that he has read the foregoing Statement of Expenses Incurred and Recovered through Rider 12 by him subscribed and knows the contents thereof; and that the statements therein contained are true to the best of his knowledge and belief.

Gerald P. O'Connor

Company: Northern Illinois Gas Company

d/b/a Nicor Gas

Title: Senior Vice President Finance

and Strategic Planning

Subscribed and sworn to before me this Arday of February, 2011

Notary Public

OFFICIAL SEAL
JOAN B BALTUSIS
NOTARY PUBLIC - STATE OF ILLINOIS
NY COMMISSION EXPRES 0331/13

Nicor Gas Rider 12, Environmental Cost Recovery Revenues, Expenses and Carrying Costs

Item	Docket	_	Nicor Gas Recorded		Commission Approved
Revenues					
1993-94	96-0012	\$	354,124.47	\$	354,124.47
1995	96-0208		618,496.87	4	618,496.87
1996	97-0221		8,373,764.38		8,373,764.38
1997	98-0295		2,856,902.00		
1998	99-0339				2,856,902.00
1999			3,569,543.87		3,569,543.87
	00-0440		10,536,246.41		10,536,246.41
2000	01-0380		(4,041,196.78)		(4,041,196.78)
2001	02-0170		15,632,702.90		15,632,702.90
2002	03-0166		24,567,974.80		24,567,974.80
2003	04-0107		31,345,657.26		31,345,657.26
2004	05-0106		20,552,680.14		20,552,680.14
2005	06-0209		20,973,818.72		20,973,818.72
2006	07-0114		11,638,503.97		11,638,503.97
2007	08-0154		10,874,906.45		10,874,906.45
2008	09-0113		9,637,831.90		
2009	10-0135				9,637,831.90
	10-0133		12,529,706.29	-	12,529,706.29
Total		\$	180,021,663.65	\$	180,021,663.65
Expenses 1/					
1993-94	96-0012	\$	926,757.38	\$	881,000.57
1995	96-0208	•	2,577,295.94	•	2,577,295.94
1996	97-0221		3,877,007.72		3,877,007.72
1997					
	98-0295		4,338,600.59		4,338,600.59
1998	99-0339		8,203,497.54		8,203,497.54
1999	00-0440		8,655,733.08		8,655,733.08
2000	01-0380		(3,481,785.92)		(3,481,785.92)
2001	02-0170		9,302,162.70		8,296,786.85
2002	03-0166		20,728,157.12		20,711,516.28
2003 2/	04-0107		43,882,916.60		43,483,082.53
2004	05-0106		15,612,092.24		15,612,092.24
2005	06-0209		17,498,293.77		17,498,293.77
2006 4/	07-0114		11,500,029.24		11,500,029.24
2007	08-0154		10,457,653.50		10,457,653.50
2008	09-0113		13,557,472.76		13,557,472.76
2009					
Total	10-0135	\$	8,771,755.12 176,407,639.38	S	8,771,755.12 174,940,031.81
Total			170,407,003.00		174,940,031.01
Carrying Costs					
1993-94	96-0012	\$		\$	
1995	96-0208		91,433.73		88,234.61
1996	97-0221		(115,743.87)		(113,242.22)
1997	98-0295		(27,283.28)		(29,864.60)
1998	99-0339		234,136.58		231,555.26
1999	00-0440		128,049.30		125,467.97
2000	01-0380		159,607.91		157,026.58
2001	02-0170		(200,104.51)		(256,821.78)
2002	03-0166		(416,723.99)		(474,380.04)
2003 3/	040107		196,732.87		172,340.10
2004	05-0106		(68, 377.65)		(68,377.65)
2005	06-0209		(128,860.09)		(141,330.95)
2006	07-0114		(121,766.03)		(121,766.03)
2007 5/	08-0154		(142,093.42)		(142,093.42)
2008	09-0113		(8,868.66)		(8,868.66)
2009	10-0135		(17,023.47)		(17,023.47)
Total	10-0133	\$	(436,884.58)	\$	(599,144.30)
			(100,004.00)		(000, 144.50)
Total Net Rev. Exp	and Int.	\$	4,050,908.85	\$	5,680,776.14

^{1/} Net of insurance settlement receipts.

^{2/} Net of insurance settlement receipts plus \$1,438.45 insurance settlement adjustment and \$7,000.00 R&D disallowance.

^{3/} Eight months of carrying costs associated with Docket No. 02-0170 adjustments of \$1,005,375.85.

^{4/} Net of insurance settlement receipts less \$781,963.76 for 2006 Paxton building expenditures.

^{5/} Includes \$19,137.53 of interest refunded during 2007 on the \$1.2 million Paxton remediation costs.

Nicor Gas Rider 12, Environmental Cost Recovery Revenues, Expenses and Carrying Costs

		Nicor Gas Recorded	Commission Approved			
Total Net Rev. Exp. and Int.	\$	4,050,908.85	\$	5,680,776.14		
Recorded Adjustments						
Disallowance from Docket 96-0012	\$	(45,756.81)				
Disallowance from Docket 02-0170		(1,005,375.85)				
Disallowance from Docket 03-0166		(16,640.84)				
Disallowance from Docket 04-0107		(399,834.07)				
Total	-	(1,467,607.57)				
Carrying Charge Adjustments						
2000 - Per 96-0208 (carrying cost) effective 9/1/00	\$	(3,199.12)				
2000 - Per 97-0221 (carrying cost) effective 9/1/00		2,501.63				
2001 - Per 98-0295 (carrying cost) effective 1/1/01		(2,581.32)				
2001 - Per 99-0339 (carrying cost) effective 1/1/01		(2,581.32)				
2001 - Per 00-0440 (carrying cost) effective 1/1/01		(2,581.32)				
2002- Per 01-0380 (carrying cost) effective 4/1/02		(2,581.32)				
2003 - Per 02-0170 (carrying cost) effective 9/1/03		(113,434.56)				
2003 - Per 03-0166 (carrying cost)		(938.77)				
2004 - Per 04-0107 (carrying cost) effective 04/01/05		(24,392.77)				
2005 - Per 06-0209 (carrying cost)		(12,470.86)				
Total	\$	(162,259.73)				
Over/(Under) Recovery as of 12/31/09	\$	5,680,776.15	\$	5,680,776.14		
2010 Activities Docket 11-0118						
Revenues	\$	10,715,633.94	\$	10,715,633.94		
Expenses		12,629,191.66		12,629,191.66		
Carrying Costs		(10,613.05)		(10,613.05)		
Total	\$	(1,902,944.67)	\$	(1,902,944.67)		
Over/(Under) Recovery as of 12/31/10	\$	3,777,831.48	\$	3,777,831.47		

Cumulative Revenues Collected under Rider 12, Environmental Cost Recovery

Year		Residential		Small Ion-Residential	1	Large Non-Residential		Total
1994							\$	354,124,47
1995								618,496.87
1996								8,373,764.38
1997	\$	1,849,659.24	5	901,401.85	\$	105,840.91		2,856,902.00
1998		2,225,543.32		650,860.98		693,139.57		3,569,543.87
1999		6,730,519.08		1,739,984.94		2,065,742.39		10,536,246.41
2000		(2,753,298.86)		(715, 173.45)		(572,724.47)		(4,041,196.78)
2001		9,954,480.22		2,927,311.12		2,750,911.56		15,632,702.90
2002		16,000,649.65		4,426,806.38		4,140,518.77		24,567,974.80
2003		20,224,650.50		5,962,004.25		5,159,002.51		31,345,657.26
2004		13,336,509.40		3,696,249.36		3,519,921.38		20,552,680.14
2005		13,747,545.14		3,912,758.03		3,313,515.55		20,973,818.72
2006		7,510,154.50		3,115,327.94		1,013,021.53		11,638,503.97
2007		7,210,116.07		3,284,432.15		380,358.23		10,874,906.45
2008		6,437,731.04		2,913,129.50		286,971.36		9,637,831.90
2009		8,253,005.49		3,757,363.73		519,337.07		12,529,706.29
2010	_	7,050,931.39		3,294,874.38	_	369,828.17	-	10,715,633.94
Total	\$	117,778,196.18	\$	39,867,331.16	\$	23,745,384.53	\$	190,737,297.59

Prior to 1997, Nicor Gas did not track ECR revenues by customer class.

Prior to May 2006, Nicor Gas operated under its old billing system and report RA735 inadvertently reported some small non-residential ECR revenue as large non-residential revenue.